



Business Ethics

“Management Talk”

“ Our vision is to be as bold, innovative, and successful in corporate responsibility as our athletes are in their sports and as we are in our business. Nike has learned a lot, and we know we have a lot more to learn. We have a clear vision of where we want to go and how we’ll get there. We’ll do it by constantly challenging ourselves, pushing our limits, and being focused on one goal: Doing the right thing.”

-Maria Eitel, Nike,
Vice President of Social Responsibility



Understanding Management

Athletic apparel manufacturer Nike sells footwear that has been assembled in overseas factories where the minimum wage is much lower than it is in the United States. Maria Eitel, Vice President of Social Responsibility at Nike, oversees programs that prevent the abuse of poor workers abroad. As more consumers demand that companies produce products without harming workers or the environment, businesses like Nike learn to keep step.



Importance of Ethics

What are Ethics?

- A set of moral principles
- Values that govern behavior



Code of Ethics

What are a Code of Ethics?

- A document that outlines the principles of conduct to be used in making decisions within the organization. Most corporations in the United States have a code of ethics



Content of Code of Ethics

- Honesty
- Adherence to the law
- Product safety and quality
- Health and safety in the workplace
- Conflicts of interest
- Employee practices



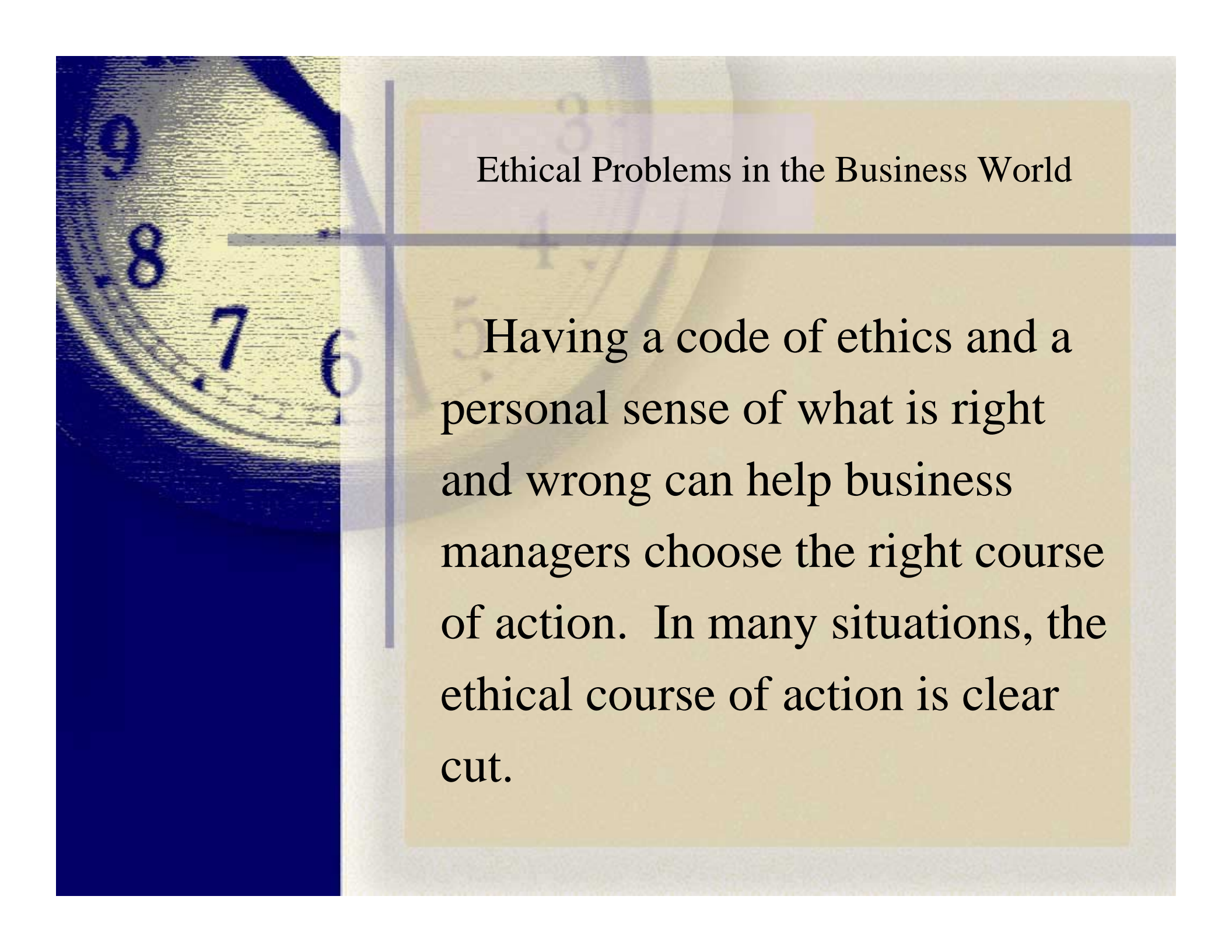
Code of Ethics (cont.)

- Selling and marketing practices
- Financial reporting
- Pricing, billing, and contracting
- Trading in securities / using confidential information
- Acquiring and using information about competitors



Code of Ethics (cont.)

- Security
- Payments to obtain business
- Political activities
- Protection of the environment



Ethical Problems in the Business World

Having a code of ethics and a personal sense of what is right and wrong can help business managers choose the right course of action. In many situations, the ethical course of action is clear cut.



Behaving Ethically

Businesspeople regularly make ethical decisions. These decisions have very important consequences for both individuals and their companies. Behaving unethically can hurt, or even end, a businessperson's career.



Dealing with Ethical Dilemmas

- Have you defined the problem accurately?
- How would you define the problem if you stood on the other side of the fence?
- Whom could your decision or action injure. Can you discuss the problem with the affected parties before you make your decision?



Dealing with Ethical Dilemmas (cont.)

- Are you confident that your position will be as valid over a long period of time as it seems now?
- Could you disclose without qualm your decision or action to your boss, your CEO, the board of directors, your family, and society as a whole?



Laws Relating to Ethics in Business

Competitive Behavior

- The Sherman Act
 - Monopolize Trade
- The Clayton Act
 - Different Pricing
- The Wheeler-Lea Act
 - False Advertising



Consumer Protection

- Federal Food and Drug and Cosmetic Act (FDA)
- Consumer Product Safety Commission (CPSC)
- Truth in Lending Act
- Equal Credit Opportunity Act



Environmental Protection

- The National Environmental Policy Act of 1969
- The Clean Air Act of 1970
- The Toxic Substance Control Act of 1976
- The Clean Water Act of 1977



Ethical Standards and Culture

- Corporate Gift Giving
- Intellectual Property
 - Patient
 - Trademark
 - Copyright



Social Responsibility

The obligation that individuals or businesses have to help solve problems in society.



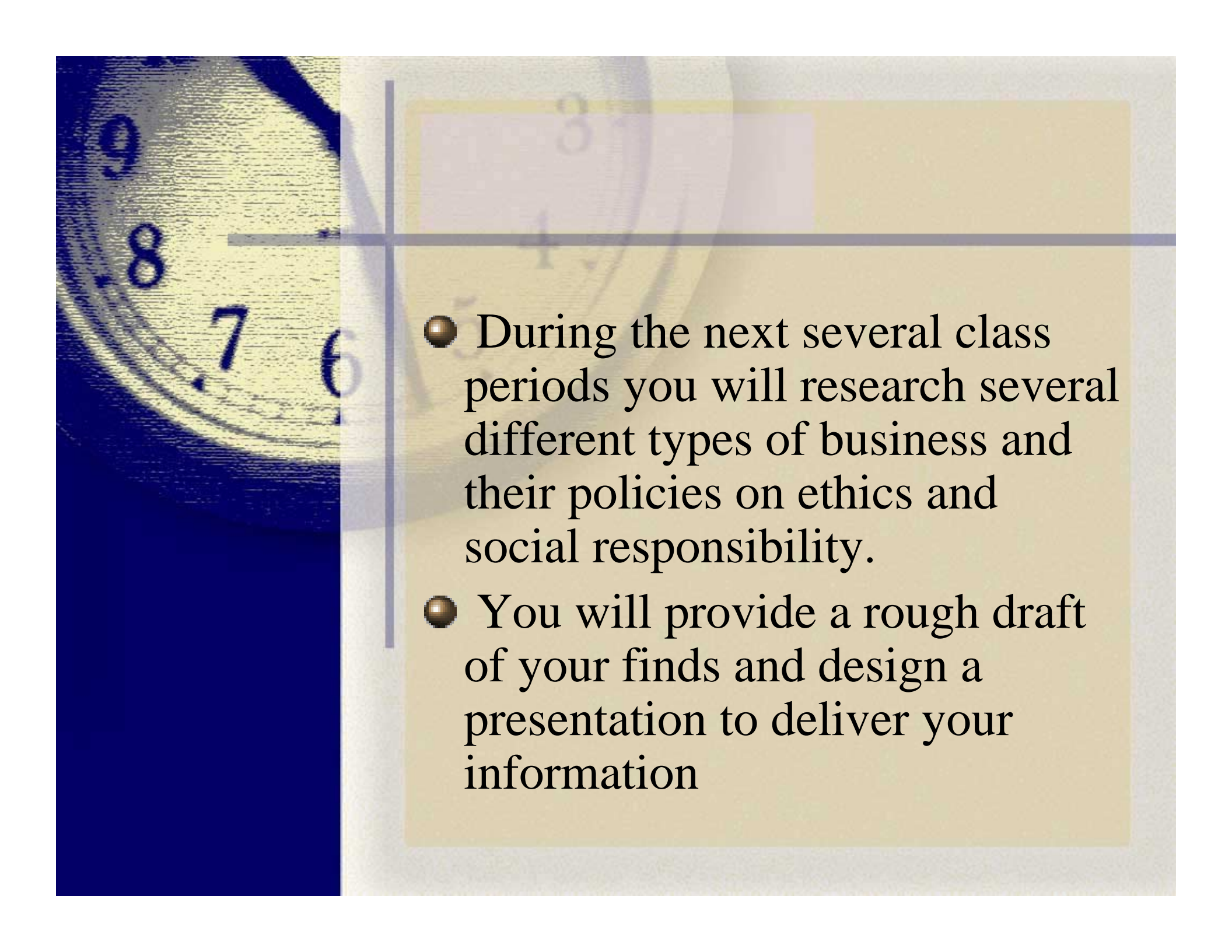
Changing Views of Businesses Role in Society

- Profit Maximization
- Trusteeship Management
- Social Involvement



Measuring Social Responsibility

- Philanthropy
- Volunteerism
- Environmental Awareness
- Sensitivity to Diversity
- Quality of Work Life

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- During the next several class periods you will research several different types of business and their policies on ethics and social responsibility.
 - You will provide a rough draft of your finds and design a presentation to deliver your information